



555 12<sup>th</sup> Street, N.W., Suite 1200  
Washington, D.C. 20004-1275 U.S.A.  
(202) 289-1313  
Fax (202) 289-1330

[www.btlaw.com](http://www.btlaw.com)

William R. Martin  
Partner  
202-371-6363  
[billy.martin@btlaw.com](mailto:billy.martin@btlaw.com)  
Admitted to Practice Only In: DC, OH

April 6, 2023

Via ECF

Honorable Denise L. Cote  
U.S. District Judge for the Southern District of New York  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street, Courtroom 18B  
New York, NY 10007

RE: *United States v. James Velissaris*, 22 cr. 105 (DLC)

Dear Judge Cote:

We write this letter to bring to the Court's attention that we believe one of Mr. Velissaris' prior attorneys had a conflict of interest during part, if not the entire time he represented Mr. Velissaris in this case. While drafting a declaration for Mr. Velissaris, we learned that attorney Michael Krouse had applied for the position of Director of Enforcement of the Commodities and Futures Exchange Commission ("CFTC") during the same time that he and his firm were representing Mr. Velissaris in both criminal and civil trial matters pending in the SDNY. It is our understanding that the CFTC was an active participant in the investigation of Mr. Velissaris that led to his indictment in the criminal case now pending before your Honor. The record in these matters shows that the CFTC filed suit against Mr. Velissaris in February, 2022, the same month that Mr. Krouse and his firm were retained by Mr. Velissaris to represent him in the criminal case and the civil cases, including the lawsuit filed by the CFTC.

We do not know when Mr. Krouse applied for the position of Director of Enforcement with the CFTC, but we have learned that his application was pending as of January 2023 when he first raised the CFTC issue with Mr. Velissaris. (Please see the attached correspondence with Mr. Krouse.) We also have reason to believe that Mr. Krouse's application with the CFTC was pending during the time that Mr. Krouse was advising Mr. Velissaris to plead guilty in the criminal case.

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We have concerns that the issue of a possible conflict of interest by Mr. Krouse, as he was seeking employment with an agency that was and is still adverse to Mr. Velissaris, implicates Section 1.7(a) and (b) of the NY Rules of Professional Conduct. In addition to the legal issues currently under consideration by your Honor, we respectfully request that Mr. Krouse's possible violation of Rule 1.7 and its impact on this case and on Mr. Velissaris' right to be represented by counsel free of conflicts also be considered.

Sincerely,



William R. Martin  
*Attorney for James Velissaris*

cc: Margaret Graham, AUSA  
Michael K. Krouse, Esq.  
Paul J. Fishman, Esq.  
Veronica E. Callahan, Esq.  
Kathleen Reilly, Esq.